

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



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A15

24/03/2020

#37

COMPANIES HOUSE

### 1 Company details

Company number 0 4 3 8 9 0 8 6  
Company name in full FRK Construction Services Ltd

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Alan  
Surname Fallows

### 3 Liquidator's address

Building name/number 1 City Road East  
Street Manchester  
Post town  
County/Region  
Postcode M 1 5 4 P N  
Country

### 4 Liquidator's name ①

Full forename(s) Peter James  
Surname Anderson

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 1 City Road East  
Street Manchester  
Post town  
County/Region  
Postcode M 1 5 4 P N  
Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

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**6** Period of progress report

From date	d	0	d	5	m	0	m	2	y	2	y	0	y	1	y	9
To date	d	0	d	4	m	0	m	2	y	2	y	0	y	2	y	0

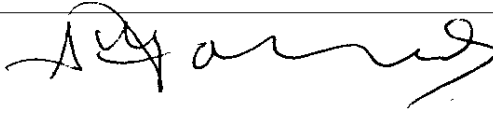
**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X  X

Signature date	d	2	d	3	m	0	m	3	y	2	y	0	y	2	y	0
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Derek Morton
Company name	Kay Johnson Gee Corporate Recovery Limited
Address	1 City Road East Manchester
Post town	
County/Region	
Postcode	M 1 5 4 P N
Country	
DX	
Telephone	0161 832 6221



**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



**Important information**

All information on this form will appear on the public record.



**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

# **Joint Liquidators' Annual Progress Report to Creditors & Members**

**FRK Construction Services Ltd  
- In Liquidation**

**4 February 2020**

# **FRK CONSTRUCTION SERVICES LTD - IN LIQUIDATION**

## **CONTENTS**

- 1** Introduction and Statutory Information
- 2** Progress of the Liquidation
- 3** Creditors
- 4** Joint Liquidators' Remuneration
- 5** Creditors' Rights
- 6** Next Report

## **APPENDICES**

- A** Receipts and Payments Account for the Period from 5 February 2019 to 4 February 2020 including a cumulative Receipts and Payments Account for the Period from 5 February 2018 to 4 February 2020
- B** Additional information in relation to Joint Liquidators' Fees, Expenses & Disbursements

## FRK CONSTRUCTION SERVICES LTD - IN LIQUIDATION

### 1 Introduction and Statutory Information

- 1.1 I, Alan Fallows, together with my partner Peter James Anderson, of Kay Johnson Gee Corporate Recovery Limited, 1 City Road East, Manchester, M15 4PN, was appointed as Joint Liquidator of FRK Construction Services Ltd (the **Company**) on 5 February 2018. This progress report covers the period from 5 February 2019 to 4 February 2020 (**the Period**) and should be read in conjunction with any previous reports which have been issued.
- 1.2 Information about the way that we will use, and store personal data on insolvency appointments can be found at [www.kjgcr.com/privacy-policy](http://www.kjgcr.com/privacy-policy). If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.3 The principal trading address of the Company was 17 Westwood, Broughton, Brigg, DN20 0AU.
- 1.4 The registered office of the Company has been changed to c/o Kay Johnson Gee Corporate Recovery Limited, 1 City Road East, Manchester, M15 4PN and its registered number is 04389086.

### 2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period including a cumulative Receipts and Payments Account from the date of appointment.

#### ***Administration (including statutory compliance & reporting)***

- 2.3 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fees estimate/information.
- 2.4 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidators.
- 2.5 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

#### **Realisation of Assets**

##### Intercompany Loan

- 2.6 As stated in the Company's statement of affairs, an intercompany loan was detailed with an uncertain estimated to realise value. This is in relation to a final dividend payment drawn from FRK Construction Services Ltd by the Director and transferred to a connected Company.
- 2.7 It has come to my attention that a property was purchased with the funds and a Land Registry search confirms that the property is in the name of the connected Company.
- 2.8 During the liquidation, correspondence has been exchanged with the former Director and the property is currently being marketed for sale. The sale proceeds will be attributed as an asset of the Company and transferred to the liquidation estate.

## FRK CONSTRUCTION SERVICES LTD - IN LIQUIDATION

### Deposit for Costs

- 2.9 The sum of £6,000 was paid by the former Director in his personal capacity for the preparation of the Company's statement of affairs and for seeking a decision of creditors on the nomination of a liquidator.

### ***Creditors (claims and distributions)***

- 2.10 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.11 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.12 The above work will not necessarily bring any financial benefit to creditors generally, however the Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.
- 2.13 I consider the following matters worth noting in my report to creditors at this stage:
- There is approximately 1 unsecured creditor claim in this case with a value per the Directors' statement of affairs of £197,065.63. A claim has now been received in the sum of £208,734.55.
  - There are no secured creditors.
  - HM Revenue and Customs ("HMRC") are currently investigating the Company in respect of a Remuneration Trust the Company contributed into for the period 2011 – 2012. A final claim has been received but investigations conducted by HMRC Counter-Avoidance Team are still ongoing.

### ***Investigations***

- 2.14 Some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 2.15 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.16 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

## FRK CONSTRUCTION SERVICES LTD - IN LIQUIDATION

### ***Matters still to be dealt with***

#### Intercompany Loan

- 2.17 As stated in 2.6, the property bought with the intercompany funds is currently being marketed for sale and the proceeds will be transferred to the liquidation estate.

#### Remuneration Trust

- 2.18 The Joint Liquidators will continue to liaise with HMRC Counter-Avoidance Team in respect of their ongoing investigations into the Company's contributions to a Remuneration Trust for the period 2011 – 2012.
- 2.19 Books and records were requested from the Director and have duly been submitted to HMRC Counter-Avoidance Team for review.
- 2.20 HMRC's investigations into the Remuneration Trust are still ongoing and I await their final conclusion.

## **3 Creditors**

### ***Secured Creditors***

- 3.1 The Company has no secured creditors.

### ***Preferential Creditors***

- 3.2 The Company has no preferential creditors.

### ***Unsecured Creditors***

- 3.3 I have received claims totalling £208,734.55 from 1 creditor. There are no further creditors to claim in the liquidation.
- 3.4 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003.
- 3.5 I am unable to confirm the likelihood of a dividend to unsecured creditors at this current time. Investigations into the Company are still ongoing and progression is still being made in respect of the Company's assets.

## **4 Joint Liquidators' Remuneration**

- 4.1 A resolution agreeing the basis of the Liquidators' remuneration was not sought at the outset and it was proposed that this would be agreed at a later stage. Details of the arrangements regarding the Liquidators' fee approval was circulated to creditors previously with supporting documents but no votes were received.
- 4.2 As advised in my last report, in the event that no votes were received, the Joint Liquidators' were to make an application to court in order to obtain approval of the basis on which to draw their remuneration. An application will be made in due course.

## FRK CONSTRUCTION SERVICES LTD - IN LIQUIDATION

- 4.3 Attached as Appendix B is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

### 5 Creditors' Rights

- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

### 6 Next Report

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 6.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 0161 212 8389 or by email at [derekmorton@kjgcr.com](mailto:derekmorton@kjgcr.com).

Yours faithfully



**Alan Fallows**  
Joint Liquidator

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## Appendix A

*Alan Fellows*

IPS SQL Ver. 2012.10

## Appendix B

### Additional Information in Relation to the Joint Liquidators' Fees, Expenses & Disbursements

#### 7 Staff Allocation and the Use of Sub-Contractors and Professional Advisors

- 7.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 7.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 7.3 We are not proposing to utilise the services of any sub-contractors in this case.

#### 8 Professional Advisors

- 8.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Gunnercooke (legal advice)	Hourly rate and disbursements

- 8.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

#### 9 Joint Liquidators' Expenses & Disbursements

- 9.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors, a copy of which is set out below:

Expense	Estimated cost £ plus VAT
Statutory advertising	68.70
Specific penalty bond	45.00
External storage of company's books and records	50.00
<b>Category 2 disbursements charged by the firm:</b>	
Business mileage	0.45p per mile
Internal Meeting Room	150.00

#### **Current position of Joint Liquidators' expenses**

- 9.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided overleaf:

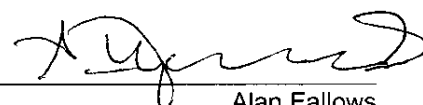
## FRK CONSTRUCTION SERVICES LTD - IN LIQUIDATION

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £ plus VAT
Statutory advertising	-	-	137.40	137.40
Specific penalty bond	-	-	45.00	45.00
External storage of books & records	-	-	10.00	10.00
Auto Entry – Bank Statement Review	-	-	10.00	10.00
Bank Charges	-	-	10.00	10.00
<b>Category 2 disbursements</b>				
Business mileage	-	-	-	0.00
Internal Meeting Room	-	-	-	0.00

- 9.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 9.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

**FRK Construction Services Ltd**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 05/02/2019 To 04/02/2020 £	From 05/02/2018 To 04/02/2020 £
	ASSET REALISATIONS		
	Deposit for costs	NIL	6,000.00
Uncertain	Intercompany Loan	NIL	NIL
		NIL	6,000.00
	COST OF REALISATIONS		
	Legal Fees (1)	512.60	512.60
	Statement of Affairs Fee	NIL	5,000.00
		(512.60)	(5,512.60)
	UNSECURED CREDITORS		
(197,065.63)	HM Revenue & Customs (PAYE/NIC)-	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(197,165.63)</b>		<b>(512.60)</b>	<b>487.40</b>
	REPRESENTED BY		
	Current A/c		384.88
	Vat Receivable		102.52
			<b>487.40</b>



Alan Fallows  
Joint Liquidator